

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 894

April 10, 2023

SUMMARY OF BILL: Authorizes a title pledge lender to pursue a judgement in a court of law to recover from the pledgor any amount that remains outstanding following the application of any proceeds of sale of titled personal property due to the pledgor's default or failure to redeem. Changes, from 6:00 p.m. to 7:30 p.m., the time at which title pledge offices must close for business on any day during the year, with the exception of November 25th through December 24th. Authorizes title pledge lenders to be open on Sundays. Authorizes an agreement for deferred presentment of a check to provide for one or more extensions of the period of time the licensee will hold the check before presentment, if the maker of the check pays the required fee on or before the date that the payment of the amount of the check is due.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 45-15-115(2), a title pledge lender has the right to take possession of the titled personal property upon a pledgor's default and sell the personal property.
- The proposed legislation would allow a pledge lender to pursue judgement in court to recover any amount that remains outstanding following the sale of the titled personal property.
- The proposed legislation would allow deferred presentment agreements to be extended upon payment of the fee on or before the check payment is due.
- Authorizing an additional remedy for pledge lenders to recover outstanding balances and allowing an extension of deferred presentment agreements under certain circumstances will require the Department of Financial Institutions to modify current examination procedures to include review of additional documentation; however, any fiscal impact is considered to be not significant.
- Other provisions of this legislation will not significantly impact the department's oversight responsibilities.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

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Assumptions:

- The proposed legislation will not significantly increase overall net business revenue statewide.
- Any increase in business expenditures to stay open for extended hours or file a motion in court is permissive to businesses; any net impact on businesses is estimated to be not significant.
- No significant impact to jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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